

**HOLLYWOOD PROPERTY OWNERS ALLIANCE
BOARD OF DIRECTORS**

**Special Meeting Minutes
Tuesday, September 2, 2015
Taft Building, Suite 600
1680 Vine Street**

Officers and Directors Present

John Tronson, Vice President, Tronson Investment Group
Joseph D'Amore, CRC Entertainment Inc.
Darcy Derler-Judd, Robertson Properties Group
David Green, Nederlander Organization
Brian Johnson, Loews Hollywood Hotel
John Lyons, Avalon Hollywood/Bardot
Frank Stephan, Clarett West Development
Mark Stephenson, Hollywood United Methodist Church
Alyssa Van Breene, DDD-Hollywood/Gower Co., LLC

Present via telephone (does not count toward quorum)

Monica Yamada, President, CIM Group, Inc.
Michael Gargano, Argent Ventures, LLC

Absent

Leslie Blumberg, The Fonda
Mark Echeverria, Musso & Frank Grill
Evan Kaizer, Sieroty Company, Inc.
Chad Lewis, Klein Financial Corporation
Jan Martin, Secretary, AMDA
Galo Medina, Comprehensive Financial Services

Staff

Kerry Morrison
Joseph Mariani
Matthew Severson
Devin Strecker
Ginnie Gallo

I. CALL TO ORDER – John Tronson

The meeting was called to order at 3:13 p.m.

II. OPEN FORUM & INTRODUCTIONS

- There were no guests at this meeting.

III. APPROVAL OF MINUTES

It was moved by Mark Stephenson, seconded by David Green, and CARRIED to approve the minutes from the Board's July 16, 2015 meeting. Unanimously approved.

VI. Old Business

- A. Status report on video surveillance camera – Before the board moved into a discussion of the budget for the office move, Morrison wanted to brief them on recent developments and a decision she made to facilitate the installation of the camera at the SW corner of Las Palmas and Hollywood Blvd. The board previously authorized purchase of this camera for that intersection at their April meeting, from the security contingency budget. The intent was to get it installed in time for summer. Over the course of the past four months, staff have attempted to problem-solve with a variety of city officials, given that the preferred pole does not have 24/7 power. LAPD and the council office have attempted to engage DOT – to no avail. Finally, Morrison contacted the department head for the Bureau of Street Lighting, Ed Ebrahimian, and asked if he could offer a solution. Joe Mariani met his crew out on the sidewalk last week and it was determined that wire could be installed to power that pole, but that it would require up to 10 hours of labor and materials, because the service feed is at a remote location. BSL sent an email indicating that the cost to do the work to supply power to that pole would probably range between \$3,500 and \$4,000. Morrison advised the board that she authorized this expenditure as there is money in the security contingency budget, and the LAPD is quite anxious to have this camera operating given the intensity of the pedestrian and club scene at that intersection at night.
- B. Status Report on Office Move – Joe Mariani reported to the board that it looks like the office move to 6562 Hollywood Boulevard will occur mid-October. There have been unforeseen problems with construction of the space such as replacement of the mainline to the sewer – which Evan Kaizer has taken care of at no cost to us.
- C. Review of Original Office Relocation Budget - Mariani presented to the board the original office move budget (approved at the June 2015 meeting) of \$52,000 (\$14.857/PSF) for the HPOA's new office at 6562 Hollywood Boulevard. This approved budget was composed of \$40,000 from the HPOA unallocated contingency and \$12,000 from anticipated rent savings this year. Mariani also reviewed a list of estimated costs (e.g., lighting, security, cabling, etc.) associated with the move that was presented to the board back in June. Within these line items was a \$20,000 budget for furniture.
- D. Presentation of Revised Office Budget – The HPOA staff has secured a space planner who was able to price out furniture for the entire office including: conference room, staff workstations, reception, lobby, intern stations, mezzanine furniture, and

decorative lighting. The total costs for these items, with install and tax included, was \$48,578.88. This is the “fully furnished” option.

Mariani said that the staff had been working to see if there was a way to bring down these costs and had come up with the following suggestions:

- 1) The staff could eliminate the lobby furniture. In doing so the board would save approximately \$5,110, bringing the total cost of the furniture to around \$42,537.01.
- 2) The staff could eliminate both the lobby furniture and the individual meeting area furniture (located in the three cubicles) for an additional savings of approximately \$3,448.30, bringing the total cost of the furniture to around \$39,088.71.

The board reviewed the various options and generally agreed that a fully outfitted office was desirable, but was interested to see where cost savings could be achieved.

To achieve this objective, Mariani suggested a revised total office move budget of \$81,000. This budget would increase the office furnishings budget by \$25,000 (to \$45,000 total). The staff would then pursue Option 2 above (\$39,088.71) and use the approximate savings (\$6,000) to purchase lobby and other furniture at a lower cost from a different vendor. The \$81,000 office move budget would be funded as follows:

Unallocated Contingency: \$45,000
(represents \$5,000 more than the approved allocation from June)
Rent Savings (Estimated): \$14,000
HPOA-CHC Account Contribution: \$15,000
2015 unused furniture budget: \$3,000
Taft Deposit Return: \$4,000
Total: \$81,000

Mariani said that the board would need to only approve an additional contribution of \$5,000 from unallocated contingency and the use of the HPOA-CHC account funds, which have accumulated over the last eight years from managing the CHC BID.

It was suggested by John Lyons that possibly many of the furniture pieces, often liquidated by large companies, may be found for lower prices through internet searching. The board volunteered Lyons to conduct research to see if equivalent (or better) furniture could be found for less money. Lyons was given until end of day Friday 9/4/15 to try and come up with alternatives.

Mariani also discussed the need to increase the contingency budget, which was originally estimated at \$2,000 in June, to prepare for any unanticipated expenses that might occur between now and November. It was recommended that \$16,000 be added to the contingency budget (bringing it to \$18,000).

Frank Stephan summarized the board's direction by recommending that a \$100,555 office move budget be adopted by the board. This represents \$28 psf, which the board noted is relatively low compared to similar build-outs. Approved office move budget is funded as follows:

Unallocated Contingency: \$64,555
(represents \$24,555 more than the approved allocation from June)
Rent Savings (Estimated): \$14,000
HPOA-CHC Account Contribution: \$15,000
2015 unused furniture budget: \$3,000
Taft Deposit Return: \$4,000
Total: \$100,555

It was moved by Frank Stephan, seconded by Joe D'Amore, and CARRIED to approve the "fully furnished" option, but to attempt to lower the cost. Staff was directed to work with John Lyons and Joe D'Amore, who have until Friday, September 4 to identify lower-cost options that would meet or exceed the quality of the Haworth furnishings in the plan. If no appropriate options are identified by Friday, staff is released to order the "long lead" items (e.g., custom workstations) to ensure delivery by the move in date. Staff is asked to work with Lyons and D'Amore to identify other furnishings that would complete the plan as presented. Under this scenario, the upper limit budget is \$100,555, which includes the full \$18,000 contingency.

VII. Staff Report

Devin Strecker updated the board on the status of the Only in Hollywood Music + Arts Festival. Talks with KCRW about a media partnership are underway.

VIII. Next Meeting: The next meeting will be held on September 17, 2015

IX. Adjournment: The meeting was adjourned at 4:20 p.m.